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## Key Report in Justice Billy Probe Also Went to State Department

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A May intelligence report that prompted the Justice Department to intensify its investigation of Billy Carter's connection with the Libyan government also was circulated at the State Department. The Washington Star has learned.

The report was sanitized and did not mention the president's brother by name, government sources said. It indicated only that a U.S. citizen was receiving a large sum of money from the Libyan government, according to U.S. government sources. But "the context made it clear who we were talking about," one official said.

Although sources said the president's National Security Council normally would receive such an intelligence report the White House denied that the document ever came its way.

"I have determined from (White House counsel) Lloyd Cutler that the May intelligence report on which the Justice Department was

intensifying its investigation was not sent to the White House," said White House press spokesman Ray Jenkins.

"Cutler didn't know of its existence until July 14," Jenkins said. He said he did not know how Cutler learned of it at that time.

It was a similarly sanitized intelligence report revealing Billy Carter's attempt to broker an oil deal between Libya and the Charter Oil Co. that led national security adviser Zbigniew Brzezinski to call the president's brother in March. At that time, Brzezinski urged Billy Carter not to "engage in any activity that could cause embarrassment to the administration," according to the White House.

The White House maintains it had no indication that Billy Carter received money from the Libyans until his lawyers told Cutler on July 11. It wasn't until July 14, when Billy Carter was forced to file as a Libyan agent, that the president and Brzezinski learned that the younger Carter had received \$220,000 from the Libyans, according to the White House.

Joel S. Lisker, chief of the Justice Department's foreign agent registration unit, said Wednesday that information from three or four sources first provided the Justice Department on May 30 with solid evidence of Libyan payments to Billy Carter. "It is possible that the White House had access to one source," Lisker said.

Lisker refused to elaborate. But other sources say that the "multiple sources" that confirmed the payments to Billy Carter included at least one U.S. intelligence report.

It was not known which U.S. intelligence agency was the author of the report circulated at the State and Justice departments and referred to by Jenkins.

If the May report did not go to the White House, but to the State and Justice departments, that would appear to have been a departure from routine handling of such documents.

A source familiar with normal routing of U.S. intelligence data said a report routinely goes first to the agency most likely to be interested in it — either because it involved someone in the agency, or a policy or program of that agency. A "duty officer" at that agency then decides whether it should be sent elsewhere.

A report that pointed to a member of the president's family, that source said, normally would go to the White House first.

"I can't imagine anybody getting any kind of report that deals with a personal member of the president's family or a member of the White House staff that wouldn't first alert them and request instructions as to dissemination," said a U.S. intelligence source. "The 'action copy' would normally go to the White House."

It is possible, however, that the White House could have directed that it not be given any reports involving Billy Carter, a source said.

Without evidence that Billy Carter had been paid by Libya, the Justice Department did not have a case that he was a foreign agent and thus breaking the law by not registering as one.

On July 11, Billy Carter went to the Justice Department and, after some prodding, admitted receiving \$220,000 from the Libyans. He said it was a "loan." Previously, he denied that he received any payment.

Some Justice Department officials think that the hurriedly arranged June 11 meeting, set up the previous day, was prompted by a tip that investigators had discovered the payments.

The FBI interviewed Phillip J. Wise Jr., the president's appointments secretary and a close Carter family friend, on June 4. Lisker said he does not believe anyone at the Justice Department informed anyone at the White House of the evidence about the payments. The White House denied that Wise was told of the evidence during the June 4 interview.

One Justice Department official said it is more likely that if the White House learned that investigators had discovered the payments — and there is no firm evidence that it did — that the knowledge came from intelligence reports to which senior officials may have had access.

Washington Star Staff Writer Lyle Denniston contributed to this report.